



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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**TO: All Escrow Agent Licensees & Applicants**  
**SUBJECT: Insurance Issues Checklist**

Recently, the Department has noted that many licensees have failed to comply fully with the Escrow Agent Registration Act (Chapter 18.44 RCW, the Act) as it applies to bonding and insurance. See RCW 18.44.201 online at [www.dfi.wa.gov/sd](http://www.dfi.wa.gov/sd) for more details. What follows is a checklist of some key items of concern.

Please pay special attention to these requirements:

- a. Fidelity (also known as “commercial crime bond”) bond minimum coverage is \$200,000. Maximum allowable deductible is \$10,000.
- b. If Fidelity bond has **any** deductible, provide DFI with the **original** of the valid \$10,000 Surety bond. If the Fidelity bond has “zero deductible” the surety requirement is waived.
- c. Fidelity bond must cover principals, corporate officers, and partners as well as employees and escrow officers. (The insurance certificate must either list these position titles, list current staff by name, or quote **“in compliance with RCW 18.44.201”**.)
- d. Errors & Omissions (also known as “professional liability”) insurance minimum coverage is \$50,000 and must cover all personnel (**same as item c above**).
- e. Cancellation notices (for all insurance coverage) must be provided at least 30 days prior to cancellation via written notice to DFI. (Standard disclaimers like “will endeavor” and “failure to notify imposes no liability” are **not acceptable**.)

As you prepare to apply for or renew your Escrow Agent license, please forward a copy of your “Certificate of Insurance” which reflects the correct insurance coverage (amount, expiration dates, and cancellation notification)

Additionally, please remember that your DEO’s license must be current and active before we can approve the Escrow Agent (main office or branch) application or renewal.

Thank you in advance for your prompt attention to this matter. Please don’t hesitate to contact Sara Moriarty at (360) 902-8742 or via email at [smoriarty@dfi.wa.gov](mailto:smoriarty@dfi.wa.gov) for additional assistance.